

SIDE-BY-SIDE COMPARISON OF SRSC AND USBR DRAFT CONTRACTS

[illegible]

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

6 Integrated Water Management and Partnerships 12-13	<u>6 Integrated Water Management and Partnerships 12</u>
6 7 Use of Water Furnished to Contractor 11 13	6 7 Use of Water Furnished to Contractor 11 <u>12-13</u>
7 8 Rate and Method of Payment for Water 11-16 14-18	7 8 Rate and Method of Payment for Water 11-16 <u>13-18</u>
8 9 Agreement on Water Quantities 16-18 19-21	8 9 Agreement on Water Quantities 16-18 <u>18-20</u>
9 10 Measurement of Water 18-20 21-23	9 10 Measurement of Water 18-20 <u>22</u>
10 11 Rules and Regulations 20-21 23	10 11 Rules and Regulations 20-21 <u>22</u>
11 12 General Obligation – Benefits Conditioned Upon Payment 21 23-24	11 12 General Obligation – Benefits Conditioned Upon Payment 21 <u>22-23</u>
12 13 Charges For Delinquent Payments 21 24	12 13 Charges For Delinquent Payments 21 <u>23</u>
13 14 Quality of Water 22 24-25	13 14 Quality of Water 22 <u>23</u>
14 15 Water and Air Pollution Control 22 25	14 15 Water and Air Pollution Control 22 <u>24</u>
15 16 Equal Opportunity 22-23 25-26	15 16 Equal Opportunity 22-23 <u>24-25</u>
16 17 Compliance With Civil Rights Laws And Regulations 23-24 26-27	16 17 Compliance With Civil Rights Laws And Regulations 23-24 <u>25</u>
17 18 Mingling of Contractor’s Project and Non-Project Water 24-25 27-28	17 18 Mingling of Contractor’s Project and Non-Project Water 24-25 <u>26-27</u>
18 19 Books, Records, and Reports 25-26 28	18 19 Books, Records, and Reports 25-26 <u>27</u>

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

19 <u>20</u> Change Of Place Of Use Or Organization 26 <u>28-29</u>	19 <u>20</u> Change Of Place Of Use Or Organization 26 <u>27-28</u>
20 <u>21</u> Consolidation Of Contracting Entities 26 <u>29</u>	20 <u>21</u> Consolidation Of Contracting Entities 26 <u>28</u>
21 <u>22</u> Notices 26 <u>27 29</u>	21 <u>22</u> Notices 26 <u>27 28</u>
22 <u>23</u> Assignment Limited – Successors and Assigns Obligated 27 <u>29-30</u>	22 <u>23</u> Assignment Limited – Successors and Assigns Obligated 27 <u>28-29</u>
23 <u>24</u> Officials Not to Benefit 27 <u>30</u>	23 <u>24</u> Officials Not to Benefit 27 <u>29</u>
24 <u>25</u> Contingent Upon Appropriation or Allotment of Funds 27 <u>30</u>	24 <u>25</u> Contingent Upon Appropriation or Allotment of Funds 27 <u>29</u>
25 <u>26</u> Confirmation of Contract 27 <u>30</u>	25 <u>26</u> Confirmation of Contract 27 <u>29</u>
26 <u>27</u> Unavoidable Groundwater Percolation 28 <u>30</u>	26 <u>27</u> Unavoidable Groundwater Percolation 28 <u>29</u>
27 <u>28</u> Privacy Act Compliance 28 <u>31</u>	27 <u>28</u> Privacy Act Compliance 28 <u>29-30</u>
28 <u>29</u> Water Conservation 29-30 31-33	28 <u>29</u> Water Conservation 29-30- <u>31</u>
29 <u>30</u> Opinions And Determinations 30-31 <u>33</u>	29 <u>30</u> Opinions And Determinations 30-31 <u>32</u>
30 <u>31</u> Contractor to Pay Certain Miscellaneous Costs 31 <u>34</u>	30 <u>31</u> Contractor to Pay Certain Miscellaneous Costs 31 <u>32-33</u>
31 <u>32</u> Waiver of Default 31 <u>34</u>	31 <u>32</u> Waiver of Default 31 <u>33</u>
Signatures 32 <u>35</u>	Signatures 32 <u>33-34</u>
Exhibit A Schedule of Monthly Diversion of Water	Exhibit A Schedule of Monthly Diversion of Water
Exhibit B Map of Contractor's Ownership	Exhibit B Map of Contractor's Ownership

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

Exhibit C Unit Duties	Exhibit C Unit Duties
Exhibit D Rates and Charges	Exhibit D Rates and Charges <u>35</u>
[FIRST PAGE OF CONTRACT]	[FIRST PAGE OF CONTRACT]
R.O. Draft 05/15-2002 Contract No. Standard Irrigation District Form SRSC Draft 05/02/02 SRSC Draft 05/22/02 <u>SRSC Draft 05/31/02</u>	R.O. Draft 05/15-2002 <u>R.O. Draft 06/21-2002</u> Contract No. Standard Irrigation District Form
<p>UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION Central Valley Project, California</p> <p><u>WATER RIGHTS SETTLEMENT</u> CONTRACT BETWEEN THE UNITED STATES AND</p> <hr/> <p>DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES PROVIDING FOR PROJECT WATER SERVICE AND AGREEMENT ON DIVERSION OF WATER</p>	<p>UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION Central Valley Project, California</p> <p>CONTRACT BETWEEN THE UNITED STATES AND</p> <hr/> <p>DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES PROVIDING FOR PROJECT WATER SERVICE AND AGREEMENT ON DIVERSION OF WATER</p>
<p>THIS CONTRACT, <u>hereinafter</u> referred to as "Settlement Contract," is entered into by <u>THE UNITED STATES</u> <u>OF AMERICA</u>, hereinafter referred to as <u>the United States</u>, made this ____ day of _____, 2002, in pursuance <u>pursuant to the applicable</u> <u>authority granted to it generally of in</u> the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto, including, but not limited to, the Acts of</p>	<p>THIS CONTRACT, made this ____ day of _____, 2002, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12,</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p>August 26, 1937 (50 Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, <u>including but not limited to Section 14 thereto</u>, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1262), October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, and _____, hereinafter referred to as the Contractor, a public agency of the State of California, duly organized, existing, and acting pursuant to the laws thereof, with its principal place of business in California; (<i>may change depending on contracting entity</i>)</p>	<p>1982 (96 Stat. 1262), October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, and _____, hereinafter referred to as the Contractor, a public agency of the State of California, duly organized, existing, and acting pursuant to the laws thereof, with its principal place of business in California; (<i>may change depending on contracting entity</i>)</p>
WITNESSETH, That <u>that</u> :	WITNESSETH, That:
<u>EXPLANATORY RECITALS</u>	<u>EXPLANATORY RECITALS</u>
<p>WHEREAS, the United States has constructed and is operating the Central Valley Project, California, for diversion, storage, carriage, distribution and beneficial use, for flood control, irrigation,</p>	<p><u>[1st]</u> WHEREAS, the United States has constructed and is operating the Central Valley Project, California, for diversion, storage, carriage, distribution and beneficial use, for flood control, irrigation,</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control, navigation and other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries; and</p>	<p>municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control, navigation and other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries; and</p>
<p>WHEREAS, the Contractor asserts that it has rights to divert, is diverting, and will continue to divert for reasonable beneficial use, water from the natural flow of the Sacramento River and tributaries thereto, that would have been flowing therein if the Central Valley Project were not in existence; and</p>	<p><u>[2nd]</u> WHEREAS, the Contractor asserts that it has rights to divert, is diverting, and will continue to divert for reasonable beneficial use, water from the natural flow of the Sacramento River and tributaries thereto, that would have been flowing therein if the Central Valley Project were not in existence; and <u>[Contractor Specific – “Other” Rights]</u></p>
<p>WHEREAS, the construction and operation of the integrated and coordinated Central Valley Project has changed and will further change the regimen of the Sacramento, American, San Joaquin, and Trinity Rivers and the Sacramento-San Joaquin Delta from unregulated flow to regulated flow; and</p>	<p><u>[3rd]</u> WHEREAS, the construction and operation of the integrated and coordinated Central Valley Project has changed and will further change the regimen of the Sacramento, American, San Joaquin, and Trinity Rivers and the Sacramento-San Joaquin Delta from unregulated flow to regulated flow; and</p>
<p>WHEREAS, the United States asserts that it has rights to divert, is diverting, and will continue to divert waters</p>	<p><u>[4th]</u> WHEREAS, the United States asserts that it has rights to divert, is diverting, and will continue to divert waters</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

from said Rivers and said Delta in connection with the operation of said Central Valley Project, and	from said Rivers and said Delta in connection with the operation of said Central Valley Project, and
<p>WHEREAS, the Contractor and the United States <u>had a dispute over the nature, extent and relative priority of their respective water rights which threatened to result in the initiation of an adjudication of the relevant stream systems and as a means to settle that dispute</u> entered into Contract No. _____, as amended, hereinafter referred to as the Existing Contract, which established terms for the delivery to the Contractor of Central Valley Project Water and the quantities of Base Supply the Contractor may <u>has a right to</u> divert from the Sacramento River from _____ through _____; and</p>	<p><u>[5th]</u> WHEREAS, the Contractor and the United States <u>had a dispute over the respective rights of the parties to divert and use water from the regulated flow of the Sacramento River which threatened to result in litigation, and as a means to settle that dispute,</u> entered into Contract No. _____, as amended, hereinafter referred to as the Existing Contract, which established terms for the delivery to the Contractor of Central Valley Project Water, and the quantities of Base Supply the <u>United States and the Contractor agreed may be diverted by the Contractor</u> from the Sacramento River <u>pursuant to such contract</u> from _____ through <u>March 31, 2004</u>; and</p>
<p>WHEREAS, the <u>United States and the Contractor have a current dispute over the meaning and intent of Articles 9 and 5 of the Existing Contract, including litigation, but nonetheless without prejudicing the respective parties' positions with respect to that litigation</u> has requested <u>desire to enter into the long-term renewal of the Existing Contract, pursuant to the</u></p>	<p><u>[6th]</u> WHEREAS, <u>although</u> the Contractor <u>and the United States</u> has requested the long-term renewal of the Existing Contract, <u>disagree with respect to the authority of the United States to change the quantities of Base Supply and/or Project water specified in this Contract from the quantities specified in the Existing Contract and that dispute is being litigated</u></p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>terms of the Existing Contract, Federal Reclamation law, and the laws of the State of California, and the United States has determined that the Contractor has <u>Parties have fulfilled all of its their respective</u> obligations under the Existing Contract; and</p>	<p><u>in a lawsuit entitled GCID v. United States of America, Civ. No. S-01-1816 GEB/JFM (E.D. CA), both the Contractor and the United States are willing to agree to the dismissal of that lawsuit without waiving or otherwise prejudicing their respective right to assert whatever arguments and defenses either of them believe is appropriate if that issue is subsequently litigated and enter into this Contract</u></p> <p>pursuant to the terms of the Existing Contract, Federal Reclamation law, and the laws of the State of California, and the United States has determined that the Contractor has fulfilled all of its obligations under; and</p>
<p>WHEREAS, to assure the Contractor of the enjoyment and use of the regulated flow of the said Rivers and the Delta, and to provide for the economical operation of the Central Valley Project by, and the reimbursement to, the United States for expenditures made for said Project;</p>	<p><u>17th</u> WHEREAS, to assure the Contractor of the enjoyment and use of the regulated flow of the said Rivers and the Delta, and to provide for the economical operation of the Central Valley Project by, and the reimbursement to, the United States for expenditures made for said Project;</p>
<p>NOW, THEREFORE, in consideration of the performance of the herein contained provisions, conditions, and covenants, it is agreed as follows:</p>	<p>NOW, THEREFORE, in consideration of the performance of the herein contained provisions, conditions, and covenants, it is agreed as follows:</p>
<p><u>DEFINITIONS</u></p>	<p><u>DEFINITIONS</u></p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

1. When used herein, unless otherwise expressed or incompatible with the intent hereof, the term:	1. When used herein, unless otherwise expressed or incompatible with the intent hereof, the term:
(a) "Base Supply" shall mean the quantity of water established in Articles 3 and 5 which the United States agrees may be diverted by that the Contractor <u>has a right to divert</u> from the Sacramento River each month during the period April through October of each Year without payment to the United States for such quantities diverted;	(a) "Base Supply" shall mean the quantity of water established in Articles 3 and 5 which the United States agrees may be diverted by the Contractor from the Sacramento River each month during the period April through October of each Year without payment to the United States for such quantities diverted;
(b) "Charges" shall mean the payments for Project Water required by Federal Reclamation law <u>agreed to pursuant to this Settlement Contract</u> in addition to the "Rates" specified in this Contract. <u>The nature and extent of Charges as well as categories of Charges is specified in the attached Exhibit "D" as determined annually by the Contracting Officer pursuant to this Contract;</u>	(b) "Charges" shall mean the payments for Project Water <u>which the Contractor is</u> required by Federal Reclamation law <u>to pay to the United States</u> in addition to the Rates specified in this Contract as determined annually by the Contracting Officer pursuant to this Contract. <u>The type and amount of each Charge shall be specified in Exhibit D;</u>
(c) "Contract Total" shall mean the sum of the Base Supply and Project Water available for diversion by the Contractor for the period April 1 through October 31;	(c) "Contract Total" shall mean the sum of the Base Supply and Project Water available for diversion by the Contractor for the period April 1 through October 31;

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

(d) "Critical Year" shall mean any Year in which either of the following eventualities exists:	(d) "Critical Year" shall mean any Year in which either of the following eventualities exists:
(1) The forecasted full natural inflow to Shasta Lake for the current Water Year, as such forecast is made by the United States on or before February 15 and reviewed as frequently thereafter as conditions and information warrant, is equal to or less than three million two hundred thousand (3,200,000) acre-feet; or	(1) The forecasted full natural inflow to Shasta Lake for the current Water Year, as such forecast is made by the United States on or before February 15 and reviewed as frequently thereafter as conditions and information warrant, is equal to or less than three <u>3.2</u> million two hundred thousand (3,200,000) acre-feet; or
(2) The total accumulated actual deficiencies below four million (4,000,000) acre-feet in the immediately prior Water Year or series of successive prior Water Years each of which had inflows of less than four million (4,000,000) acre-feet, together with the forecasted deficiency for the current Water Year, exceed eight hundred thousand (800,000) acre-feet. For the purpose of determining a Critical Year the computed inflow to Shasta Lake <u>as it would have existed</u> under present upstream development above Shasta Lake <u>as of September 1, 1963</u> shall be used as the full natural inflow to Shasta Lake. In the event	(2) The total accumulated actual deficiencies below four <u>4</u> million (4,000,000) acre-feet in the immediately prior Water Year or series of successive prior Water Years each of which had inflows of less than four <u>4</u> million (4,000,000) acre-feet, together with the forecasted deficiency for the current Water Year, exceed eight hundred thousand (800,000) acre-feet. For the purpose of determining a Critical Year the computed inflow to Shasta Lake under present upstream development above Shasta Lake shall be used as the full natural inflow to Shasta Lake. In the event that major construction occurs above Shasta Lake

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

<p>that major construction occurs above Shasta Lake after April 1, 2004, which materially alters the present regimen of the stream systems contributing to Shasta Lake, the computed inflow to Shasta Lake used to define a Critical Year will, be adjusted to eliminate the effect of such material alterations. After consultation with the State of California, the National Weather Service, and other recognized forecasting agencies, the Contracting Officer will select the forecast to be used and will make the details of it available to the Contractor. The same forecasts used by the United States for the operation of the Project shall be used to make the forecasts hereunder;</p>	<p>after April 1, 2004 <u>September 1, 1963</u>, which materially alters the present regimen of the stream systems contributing to Shasta Lake, the computed inflow to Shasta Lake used to define a Critical Year will, be adjusted to eliminate the effect of such material alterations. After consultation with the State of California, the National Weather Service, and other recognized forecasting agencies, the Contracting Officer will select the forecast to be used and will make the details of it available to the Contractor. The same forecasts used by the United States for the operation of the Project shall be used to make the forecasts hereunder;</p>
<p>(e) “CVPIA” shall mean the Central Valley Project Improvement Act, Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706);</p>	<p>(e) “CVPIA” shall mean the Central Valley Project Improvement Act, Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706);</p>
<p>(f) “Eligible Lands” shall mean all lands to which Project Water may be delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), as amended, hereinafter referred to as RRA;</p>	<p>(f) “Eligible Lands” shall mean all lands to which Project Water may be delivered in accordance with Section 204 of the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), as amended, hereinafter referred to as RRA;</p>
<p>(g) “Excess Lands” shall mean</p>	<p>(g) “Excess Lands” shall mean</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
all lands in excess of the limitations contained in Section 204 of the RRA, other than those lands exempt from acreage limitation under Federal Reclamation law;	all lands in excess of the limitations contained in Section 204 of the RRA, other than those lands exempt from acreage limitation under Federal Reclamation law;
(h) “Full Cost Rate” shall mean that water rate described in Sections 205(a)(3) or 202(3) of the RRA, whichever is applicable;	(h) “Full Cost Rate” shall mean that water rate described in Sections 205(a)(3) or 202(3) of the RRA, whichever is applicable;
(i) “Ineligible Lands” shall mean all lands to which Project Water may not be delivered in accordance with Section 204 of the RRA;	(i) “Ineligible Lands” shall mean all lands to which Project Water may not be delivered in accordance with Section 204 of the RRA;
(j) “Landholder” shall mean a party that directly or indirectly owns or leases nonexempt land, as provided in 43 CFR 426.2;	(j) “Landholder” shall mean a party that directly or indirectly owns or leases nonexempt land, as provided in 43 CFR 426.2;
(k) “Project” shall mean the Central Valley Project owned by the United States and managed by the Department of the Interior, Bureau of Reclamation;	(k) “Project” shall mean the Central Valley Project owned by the United States and managed by the Department of the Interior, Bureau of Reclamation;
(l) “Project Water” shall mean all water diverted or scheduled to be diverted each month during the period April through October of each Year by the Contractor from the Sacramento River	(l) “Project Water” shall mean all water diverted or scheduled to be diverted each month during the period April through October of each Year by the Contractor from the Sacramento River

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

<p>which is in excess of the Base Supply. The United States recognizes the right of the Contractor to make arrangements for acquisition of water from projects of others than the United States for delivery through the Sacramento River and tributaries subject to written agreement between Contractor and the United States as to identification of such water which water when so identified shall not be deemed Project Water under this contract <u>Settlement Contract</u>;</p>	<p>which is in excess of the Base Supply. The United States recognizes the right of the Contractor to make arrangements for acquisition of water from projects of others than the United States for delivery through the Sacramento River and tributaries subject to written agreement between Contractor and the United States as to identification of such water which water when so identified shall not be deemed Project Water under this e<u>C</u>ontract;</p>
<p>(m) “Rates” shall mean the payments for Project Water determined annually by the Contracting Officer in accordance with the then current applicable water ratesetting policies for the Project, as described in subdivision (a) of Article 8 of this <u>Settlement</u> Contract;</p>	<p>(m) “Rates” shall mean the payments for Project Water determined annually by the Contracting Officer in accordance with the then current applicable water ratesetting policies for the Project, as described in subdivision (a) of Article 8 of this Contract;</p>
<p>(n) “Secretary” or “Contracting Officer” shall mean the Secretary of the Interior, a duly appointed successor, or an authorized representative acting pursuant to any authority of the Secretary and through any agency of the Department of the Interior;</p>	<p>(n) “Secretary” or “Contracting Officer” shall mean the Secretary of the Interior, a duly appointed successor, or an authorized representative acting pursuant to any authority of the Secretary and through any agency of the Department of the Interior;</p>
<p>(o) “Water Year” shall mean the period commencing with October 1 of</p>	<p>(o) “Water Year” shall mean the period commencing with October 1 of</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
one year and extending through September 30 of the next; and	one year and extending through September 30 of the next; and
(p) "Year" shall mean a calendar year.	(p) "Year" shall mean a calendar year.
<u>TERM OF SETTLEMENT CONTRACT</u>	<u>TERM OF CONTRACT</u>
<p>2. This contract <u>Settlement Contract</u> shall become effective April 1, 2004, and shall remain in effect until and including March 31, 2044: <u>Provided, That that</u> under terms and conditions mutually agreeable to the parties hereto, renewals may be made for successive periods not to exceed forty (40) years each. The terms and conditions of each renewal shall be agreed upon not later than one (1) year prior to the expiration of the then existing contract <u>Settlement Contract</u>: <u>Provided further, That that, with respect to Project Water and the portions of this Settlement Contract pertaining thereto</u>, upon written request by the Contractor of the Secretary made not later than one (1) year prior to the expiration of this contract <u>Settlement Contract</u>, whenever, account being taken of the amount then credited to the costs of construction of water supply works, the remaining amount of construction costs of water supply work which is properly</p>	<p>2. (a) This contract shall become effective April 1, 2004, and shall remain in effect until and including March 31, 2044: <u>Provided, That</u> under terms and conditions mutually agreeable to the parties hereto, renewals may be made for successive periods not to exceed forty (40) years each. The terms and conditions of each renewal shall be agreed upon not later than one (1) year prior to the expiration of the then existing contract.</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p>assignable for ultimate return by the Contractor as established by the Secretary of the Interior pursuant to (3) of Section 1 of Public Law 643 (70 Stat. 483), probably can be repaid to the United States within the term of a contract under subsection <u>9(d)</u>, Section 9 of the 1939 Reclamation Project Act (53 Stat. 1187), <u>the relevant portions of this contract Settlement Contract</u> may be converted to a contract under said subsection <u>9(d)</u> upon terms and conditions mutually agreeable to the United States and the Contractor. Notwithstanding any provision of this contract Settlement Contract, the Contractor reserves and shall have all rights and benefits under Public Law 643.</p>	
[N/A]	<p>(b) Provided further, That <u>Upon</u> written request by the Contractor of the Secretary made not later than one (4) year prior to the expiration of this contract, whenever, account being taken of the amount then credited to the costs of construction of water supply works, the remaining amount of construction costs of water supply work which is properly assignable for ultimate return by the Contractor as established by the Secretary of the Interior pursuant to (3) of Section 1 of Public Law 643 (70 Stat. 483), probably</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

	<p>can be repaid to the United States within the term of a contract under subsection (d), Section 9 of the 1939 Reclamation Project Act (53 Stat. 1187), <u>then</u> this contract may be converted to a contract under said subsection (d) upon terms and conditions mutually agreeable to the United States and the Contractor. <u>The Secretary shall make a determination 10 years after the date of execution of this Contract, and every five years thereafter, of whether a conversion to a contract under said subsection (d) can be accomplished pursuant to Public Law 643.</u></p>
[N/A]	<p>Notwithstanding any provision of this contract, the Contractor reserves and shall have all rights and benefits under Public Law 643.</p>
<u>WATER TO BE FURNISHED TO CONTRACTOR</u>	<u>WATER TO BE FURNISHED TO CONTRACTOR</u>
<p>3. (a) Subject to the conditions, limitations, and provisions hereinafter expressed, the Contractor is hereby entitled and authorized to divert from the Sacramento River at the locations shown in <u>identified on Exhibit A and shown on Exhibit B</u>, for beneficial use within the area delineated on Exhibit B, (both Exhibits are attached hereto and made a part hereof), the</p>	<p>3. (a) Subject to the conditions, limitations, and provisions hereinafter expressed, the Contractor is hereby entitled and authorized to divert from the Sacramento River at the locations shown in Exhibit A, for beneficial use within the area delineated on Exhibit B, (both Exhibits are attached hereto and made a part hereof), the Contract Total designated in Exhibit A, or</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>Contract Total designated in Exhibit A, or any revision thereof, in accordance with the monthly operating schedule required by Article 3(b) of this contract <u>Settlement Contract</u>. The quantity of any <u>surface</u> water diverted <u>under this Settlement Contract</u> from the Sacramento River for use on any lands delineated on Exhibit B, by the owner of such lands or otherwise shall constitute a part of the Contract Total as shown on Exhibit A and shall be subject to all the provisions of this contract <u>Settlement Contract</u> relating to such Contract Total as if such diversion were made by the Contractor.</p>	<p>any revision thereof, in accordance with the monthly operating schedule required by Article 3(b) of this e<u>C</u>ontract. The quantity of any water diverted from the Sacramento River for use on any lands delineated on Exhibit B, by the owner of such lands or otherwise shall constitute a part of the Contract Total as shown on Exhibit A and shall be subject to all the provisions of this e<u>C</u>ontract relating to such Contract Total as if such diversion were made by the Contractor.</p>
<p><u>[NOTE: contractor-specific language dealing with individual water rights may be needed.]</u></p>	<p>(b) <u>The Contractor may have acquired rights to divert water from the Sacramento River during the period April to October, which were obtained after the date of execution of the Existing Contract. However, all diversions made from the Sacramento River during the period April to October are subject to the terms and conditions of this Contract, and the quantity of Base Supply and Project Water in the Existing Contract shall not be increased in this Contract.</u></p>
<p>(b) The United States recognizes the need of the Contractor to</p>	<p>(b c) The United States recognizes the need of the Contractor to</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p>vary from time to time its monthly diversions of water from the quantities shown in Exhibit A, or any revision thereof. Before April 1 of each Year the Contractor shall submit a written schedule to the Contracting Officer indicating the Contract Total to be diverted by the Contractor during each month. The United States shall furnish water to the Contractor in accordance with the monthly operating schedule or any revisions thereof:</p> <p><u>Provided, That</u> that in no event shall the total quantity scheduled for diversion by the Contractor from the Sacramento River:</p>	<p>vary from time to time its monthly diversions of water from the quantities shown in Exhibit A, or any revision thereof. Before April 1 of each Year the Contractor shall submit a written schedule to the Contracting Officer indicating the Contract Total to be diverted by the Contractor during each month. The United States shall furnish water to the Contractor in accordance with the monthly operating schedule or any revisions thereof:</p> <p><u>Provided, That</u> that in no event shall the total quantity scheduled for diversion <u>or diverted</u> by the Contractor from the Sacramento River:</p>
<p>(1) During the period April through October exceed the aggregate of the Contract Total for those months shown in Exhibit A or any revision thereof;</p>	<p>(1) During the period April through October exceed the aggregate of the Contract Total for those months shown in Exhibit A or any revision thereof;</p>
<p>(2) During the period July through September exceed the aggregate of the Contract Total for those months shown in Exhibit A or any revision thereof; and <u>Provided, further, That</u> that with the prior written approval of the Contracting Officer, water to be diverted in April, May, or June may be diverted in September or October, or vice versa. The Contractor shall be charged a fee based upon the appropriate</p>	<p>(2) During the period July through September exceed the aggregate of the Contract Total for those months shown in Exhibit A or any revision thereof; and <u>Provided, further, That</u> that with the prior written approval of the Contracting Officer, water to be diverted in April, May, or June may be diverted in September or October, or vice versa. The Contractor shall be charged a fee, based upon the appropriate</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>components of the water ratesetting policy for the Project for the Base Supply scheduled for diversion in April, May, or June that is diverted in September or October, or vice versa.</p>	<p>components of the water ratesetting policy for the Project, for the Base Supply scheduled for diversion in April, May, or June that is diverted in September or October, or vice versa.</p>
<p>(c) In the event conditions warrant, the Contracting Officer reserves the right to require the Contractor to submit, at least seventy-two(72) hours prior to the beginning of each weekly period, its estimate of daily diversion requirements for each such period from the Sacramento River: <u>Provided, however, That</u> that changes during any such period may be made upon the giving of seventy-two(72) hours' notice thereof to the Contracting Officer.</p>	<p>(e d) In the event conditions warrant, the Contracting Officer reserves the right to require the Contractor to submit, at least seventy-two(72) hours prior to the beginning of each weekly period, its estimate of daily diversion requirements for each such period from the Sacramento River: <u>Provided, however, T</u>hat changes during any such period may be made upon the giving of seventy-two(72) hours' notice thereof to the Contracting Officer.</p>
<p>(d) No sale, transfer, exchange, or other disposal of any water <u>Project Water</u> or the right to the use thereof for use on land other than that shown on Exhibit B shall be made by the Contractor without:</p>	<p>(d e) No sale, transfer, exchange, or other disposal of any water <u>(such as forbearance of diversions)</u> or the right to the use thereof for use on land other than that shown on Exhibit B shall be made by the Contractor without:</p>
<p>(1) First obtaining the written consent of the Contracting Officer; and</p>	<p>(1) First obtaining the written consent of the Contracting Officer; and</p>
<p>(2) Compliance with all</p>	<p>(2) Compliance with all</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
applicable State and Federal laws, including but not limited to the National Environmental Policy Act and the Endangered Species Act, and applicable guidelines or regulations then in effect.	applicable State and Federal laws, including but not limited to the National Environmental Policy Act and the Endangered Species Act, and applicable guidelines or regulations then in effect.
<u>(e) The sale, transfer, exchange, or other disposal of any Base Supply or the right to the use thereof for use on land other than that shown on Exhibit B shall be made by the Contractor in compliance with all applicable State laws.</u>	[N/A]
(e f) Nothing herein contained shall prevent the Contractor from diverting water during the months of November through March for beneficial use on the land shown on Exhibit B <u>or elsewhere</u> to the extent authorized under the laws of the State of California.	(e f) Nothing herein contained shall prevent the Contractor from diverting water during the months of November through March for beneficial use on the land shown on Exhibit B to the extent authorized under the laws of the State of California.
(f g) The United States assumes no responsibility for and neither it nor its officers, agents, or employees shall have any liability for or on account of:	(f g) The United States assumes no responsibility for and neither it nor its officers, agents, or employees shall have any liability for or on account of:
(1) The quality of water to be diverted by the Contractor;	(1) The quality of water to be diverted by the Contractor;
(2) The control, carriage, handling, use, disposal, or distribution of	(2) The control, carriage, handling, use, disposal, or distribution of

SRSC Document, 5/31/02	USBR Document, 6/21/02
water diverted by the Contractor outside the facilities constructed and then being operated and maintained by or on behalf of the United States;	water diverted by the Contractor outside the facilities constructed and then being operated and maintained by or on behalf of the United States;
(3) Claims of damage of any nature whatsoever, including but not limited to, property loss or damage, personal injury, or death arising out of or connected with the control, carriage, handling, use, disposal, or distribution of said water outside of the hereinabove referred to facilities; and	(3) Claims of damage of any nature whatsoever, including but not limited to, property loss or damage, personal injury, or death arising out of or connected with the control, carriage, handling, use, disposal, or distribution of said water outside of the hereinabove referred to facilities; and
(4) Any damage whether direct or indirect arising out of or in any manner caused by a shortage of water whether such shortage be on account of errors in operation , drought, or unavoidable causes.	(4) Any damage whether direct or indirect arising out of or in any manner caused by a shortage of water whether such shortage be on account of errors in operation, drought, or unavoidable causes.
<u>RETURN FLOW</u>	<u>RETURN FLOW</u>
4. The United States reserves the right to the use of all waste, seepage, and return flow water derived from water <u>Project Water</u> diverted by the Contractor hereunder and which escapes or is discharged beyond the boundaries of the lands shown on Exhibit B. Nothing herein shall be construed as an abandonment or a	4. The United States reserves the right to the use of all waste, seepage, and return flow water derived from water diverted by the Contractor hereunder and which escapes or is discharged beyond the boundaries of the lands shown on Exhibit B. Nothing herein shall be construed as an abandonment or a relinquishment by the

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p>relinquishment by the United States of the right to the use of any such water <u>Project Water</u>; <u>Provided, That that</u> this shall not be construed as claiming for the United States any right to such water <u>Project Water</u> which is recovered by the Contractor pursuant to California law from within the boundaries of the lands shown on Exhibit B, and which is being used pursuant to this contract <u>Settlement Contract</u> for surface irrigation or underground storage on the lands shown on Exhibit B by the Contractor, <u>nor is it intended to apply to waste, seepage, and return flow water derived from Base Supply or other non-Project Water diverted or otherwise obtained by Contractor.</u> (<i>Colusa Basin Drain language may be required</i>)</p>	<p>United States of the right to the use of any such water; <u>Provided, That</u> this shall not be construed as claiming for the United States any right to such water which is recovered by the Contractor pursuant to California law from within the boundaries of the lands shown on Exhibit B, and which is being used pursuant to this e<u>C</u>ontract for surface irrigation or underground storage on the lands shown on Exhibit B by the Contractor. (<i>Colusa Basin Drain language may be required</i>)</p>
<p><u>CONSTRAINTS ON THE AVAILABILITY OF WATER</u></p>	<p><u>CONSTRAINTS ON THE AVAILABILITY OF WATER</u></p>
<p>5. (a) In any Water Year that (1) the forecasted full natural inflow to Shasta Lake for the current Water Year, as such forecast is made by the United States on or before February 15 and reviewed as frequently thereafter as conditions and information warrant, is equal to or less than three million eight hundred thousand (3,800,000) acre-feet; or (2) If the total</p>	<p>5. (a) In any Water Year that (1) the forecasted full natural inflow to Shasta Lake for the current Water Year, as such forecast is made by the United States on or before February 15 and reviewed as frequently thereafter as conditions and information warrant, is equal to or less than three <u>3.8</u> million eight hundred thousand (3,800,000) acre-feet; or</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p>accumulated actual deficiencies in the full natural inflow to Shasta Lake in the immediately prior Water Year or series of successive prior Water Years, each of which had inflows of less than four million (4,000,000) acre-feet, together with the forecasted deficiency for the current Water Year, are between 200,000 acre-feet and 800,000 acre-feet, then the following reductions in the Contractor's monthly Contract Total shall be imposed:</p>	<p>(2) If the total accumulated actual deficiencies in the full natural inflow to Shasta Lake in the immediately prior Water Year or series of successive prior Water Years, each of which had inflows of less than four 4 million (4,000,000) acre-feet, together with the forecasted deficiency for the current Water Year, are between 200,000 acre-feet and 800,000 acre-feet, then the following reductions in the Contractor's monthly Contract Total shall be imposed:</p>																
<table> <tr> <th><u>Deficiency (acre-feet)</u></th><th><u>Reduction</u></th></tr> <tr> <td>200,000 – 400,000</td><td>10 percent</td></tr> <tr> <td>400,001 – 600,000</td><td>15 percent</td></tr> <tr> <td>600,001 – 800,000</td><td>20 percent</td></tr> </table>	<u>Deficiency (acre-feet)</u>	<u>Reduction</u>	200,000 – 400,000	10 percent	400,001 – 600,000	15 percent	600,001 – 800,000	20 percent	<table> <tr> <th><u>Deficiency (acre-feet)</u></th><th><u>Reduction</u></th></tr> <tr> <td>200,000 – 400,000</td><td>10 percent</td></tr> <tr> <td>400,001 – 600,000</td><td>15 percent</td></tr> <tr> <td>600,001 – 800,000</td><td>20 percent</td></tr> </table>	<u>Deficiency (acre-feet)</u>	<u>Reduction</u>	200,000 – 400,000	10 percent	400,001 – 600,000	15 percent	600,001 – 800,000	20 percent
<u>Deficiency (acre-feet)</u>	<u>Reduction</u>																
200,000 – 400,000	10 percent																
400,001 – 600,000	15 percent																
600,001 – 800,000	20 percent																
<u>Deficiency (acre-feet)</u>	<u>Reduction</u>																
200,000 – 400,000	10 percent																
400,001 – 600,000	15 percent																
600,001 – 800,000	20 percent																
<p><u>(b) In consideration for the reductions in the Contractor's monthly Contract Total imposed pursuant to the provisions of Article 5(a) above, the United States shall pay Contractor as follows:</u></p> <table> <tr> <th><u>Reduction</u></th><th><u>Per Acre-Foot Compensation</u></th></tr> <tr> <td><u>10 percent</u></td><td><u>\$ X</u></td></tr> <tr> <td><u>15 percent</u></td><td><u>\$ Y</u> for</td></tr> <tr> <td></td><td><u>quantities from 10-15%</u></td></tr> <tr> <td><u>20 percent</u></td><td><u>\$ Z</u> for</td></tr> <tr> <td></td><td><u>quantities from 15-20%</u></td></tr> </table> <p><u>The dollar per-acre compensation shall be tied to or indexed to the increase of</u></p>	<u>Reduction</u>	<u>Per Acre-Foot Compensation</u>	<u>10 percent</u>	<u>\$ X</u>	<u>15 percent</u>	<u>\$ Y</u> for		<u>quantities from 10-15%</u>	<u>20 percent</u>	<u>\$ Z</u> for		<u>quantities from 15-20%</u>	<p>[N/A]</p>				
<u>Reduction</u>	<u>Per Acre-Foot Compensation</u>																
<u>10 percent</u>	<u>\$ X</u>																
<u>15 percent</u>	<u>\$ Y</u> for																
	<u>quantities from 10-15%</u>																
<u>20 percent</u>	<u>\$ Z</u> for																
	<u>quantities from 15-20%</u>																

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

rates for Project Water or CPI [or other].	
(b c) In a Critical Year, the Contractor's Base Supply and Project Water agreed to be diverted during the period April through October of the Year in which the principal portion of the Critical Year occurs and, each monthly quantity of said period shall be reduced by twenty-five percent (25 percent %).	(b) In a Critical Year, the Contractor's Base Supply and Project Water agreed to be diverted during the period April through October of the Year in which the principal portion of the Critical Year occurs and, each monthly quantity of said period shall be reduced by twenty-five percent (25%).
(e d) The amount of any overpayment by the Contractor shall, at its option, be refunded or credited upon amounts to become due to the United States from the Contractor under the provisions hereof in the ensuing Year. To the extent of such deficiency such adjustment of overpayment shall constitute the sole remedy of the Contractor.	(c) The amount of any overpayment by the Contractor shall, at its option, be refunded or credited upon amounts to become due to the United States from the Contractor under the provisions hereof in the ensuing Year. To the extent of such deficiency such adjustment of overpayment shall constitute the sole remedy of the Contractor.
<u>INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS</u>	<u>INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS</u>
<u>6. Contractor and United States desire to work together to maximize the reasonable beneficial use of water to their mutual benefit. As a consequence, the United States will work in partnership with Contractor and others within the Sacramento Valley, including other</u>	<u>6. The Contractor and United States desire to work together to maximize the reasonable beneficial use of water to their mutual benefit. As a consequence, the United States will work in partnership with the Contractor and others within the Sacramento Valley to facilitate the better</u>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p><u>Contractors with Settlement Contracts, to facilitate the better integration within the Sacramento Valley of all water supplies including, but not limited to, the better management and integration of surface water and groundwater, the development and better utilization of surface water storage, the effective utilization of waste, seepage and return flow water, and other operational and management options that may be identified in the future. This will include, but not be limited to, the continuation of the Sacramento River Settlement Contractors' pooling agreements, the agreements with respect to use and re-use of water within the Colusa Basin Drain, and the Basin-Wide Water Management Plan process.</u></p>	<p><u>integration within the Sacramento Valley of all water supplies including, but not limited to, the better management and integration of surface water and groundwater, the development and better utilization of surface water storage, the effective utilization of waste, seepage and return flow water, and other operational and management options that may be identified in the future.</u></p>
<p><u>USE OF WATER</u> <u>FURNISHED TO CONTRACTOR</u></p>	<p><u>USE OF WATER</u> <u>FURNISHED TO CONTRACTOR</u></p>
<p>¶ 7. (a) Project Water furnished to the Contractor pursuant to this contract <u>Settlement Contract</u> shall not be delivered or furnished by the Contractor for any purposes other than agricultural purposes without the written consent of the Contracting Officer. including, For <u>purposes of this contract, "agricultural purposes" includes, but is not restricted to,</u></p>	<p>¶7. (a) Project Water furnished to the Contractor pursuant to this e<u>C</u>ontract shall not be delivered or furnished by the Contractor for any purposes other than agricultural purposes <u>without the written consent of the Contracting Officer.</u> including, For <u>purposes of this Contract, "agricultural purposes" includes, but is not restricted to, the watering of livestock,</u></p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

the watering of livestock, incidental domestic use <u>including landscape irrigation</u> , or underground water replenishment without written consent of the Contracting Officer.	incidental domestic use <u>including related landscape irrigation</u> , or underground water replenishment without written consent of the Contracting Officer.
<p>(b) <u>Assuming a base-line that includes in excess of 40 years of diversions for agricultural uses of the quantities of water provided for in Article 3, the</u> Contractor shall comply with requirements applicable to the Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution of this <u>Settlement</u> Contract undertaken pursuant to Section 7 of the Endangered Species Act of 1973, as amended, that are within the Contractor's legal authority to implement. The Contractor shall comply with the limitations or requirements imposed by environmental documentation applicable to the Contractor and within its legal authority to implement regarding specific activities, including conversion of Irrigation Water to M&I Water. Nothing herein shall be construed to prevent the Contractor from challenging or seeking judicial relief in a court of competent jurisdiction with respect to any biological opinion or other environmental documentation referred to in this Article.</p>	<p>(b) The Contractor shall comply with requirements applicable to the Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution of this Contract undertaken pursuant to Section 7 of the Endangered Species Act of 1973, as amended, that are within the Contractor's legal authority to implement. The Contractor shall comply with the limitations or requirements imposed by environmental documentation applicable to the Contractor and within its legal authority to implement regarding specific activities, including conversion of Irrigation Water to M&I Water. Nothing herein shall be construed to prevent the Contractor from challenging or seeking judicial relief in a court of competent jurisdiction with respect to any biological opinion or other environmental documentation referred to in this Article.</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<u>RATE AND METHOD OF PAYMENT FOR WATER</u>	<u>RATE AND METHOD OF PAYMENT FOR WATER</u>
<p>7 8. (a) The Contractor shall make payments to the United States as provided in this Article for all Project Water shown in Exhibit A of this contract <u>Settlement Contract and which is actually diverted by Contractor</u> at Rates and Charges established in accordance with: (i) the Secretary's then-current ratesetting policies for the Project; and (ii) applicable Reclamation law and associated rules and regulations, or policies; ÷ <u>Provided, That if the Contractor desires to use Project Water for other than agricultural use the Rates and Charges set forth above will be adjusted by the Contracting Officer to the applicable Rates and Charges for such use.</u> The Rates and Charges applicable to the Contractor upon execution of this <u>Settlement</u> Contract are set forth in Exhibit "D", as may be revised annually. The Secretary's ratesetting policies for the Project shall be amended, modified, or superseded only through a public notice and comment procedure.</p>	<p>78. (a) The Contractor shall make payments to the United States as provided in this Article for all Project Water shown in Exhibit A of this e<u>C</u>ontract at Rates and Charges established in accordance with: (i) the Secretary's then-current ratesetting policies for the Project; and (ii) applicable Reclamation law and associated rules and regulations, or policies: <u>Provided, T</u>hat if the Contractor desires to use Project Water for other than agricultural use the Rates and Charges set forth above will be adjusted by the Contracting Officer to the applicable Rates and Charges for such use. The Rates and Charges applicable to the Contractor upon execution of this Contract are set forth in Exhibit "D", as may be revised annually. The Secretary's ratesetting policies for the Project shall be amended, modified, or superseded only through a public notice and comment procedure.</p>
(b) The Contracting Officer shall notify the Contractor of the Rates and	(b) The Contracting Officer shall notify the Contractor of the Rates and

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

Charges as follows:	Charges as follows:
<p>[(1) Prior to July 1 of each Year, the Contracting Officer shall provide the Contractor an estimate of the Charges for Project Water that will be applied to the period October 1, of the current Year, through September 30, of the following Year, and the basis for such estimate. The Contractor shall be allowed not less than two (2) months to review and comment on such estimates. On or before September 15 of each Year, the Contracting Officer shall notify the Contractor in writing of the Charges to be in effect during the period October 1 of the current Year, through September 30, of the following Year, and such notification shall revise Exhibit "D."¹]</p>	<p>(1) Prior to July 1 of each Year, the Contracting Officer shall provide the Contractor an estimate of the Charges for Project Water that will be applied to the period October 1, of the current Year, through September 30, of the following Year, and the basis for such estimate. The Contractor shall be allowed not less than two (2) months to review and comment on such estimates. On or before September 15 of each Year, the Contracting Officer shall notify the Contractor in writing of the Charges to be in effect during the period October 1 of the current Year, through September 30, of the following Year, and such notification shall revise Exhibit "D."</p>
<p>(2) Prior to October 1 of each Year, the Contracting Officer shall make available to the Contractor an estimate of the Rates for Project Water for the following Year and the computations and cost allocations upon which those Rates are based. The Contractor shall be allowed not less than two (2) months to review and comment on such computations and cost allocations. By December 31 of</p>	<p>(2) Prior to October 1 of each Year, the Contracting Officer shall make available to the Contractor an estimate of the Rates for Project Water for the following Year and the computations and cost allocations upon which those Rates are based. The Contractor shall be allowed not less than two (2) months to review and comment on such computations and cost allocations. By December 31 of</p>

¹ We need a more specific idea and limit on what charges *can be for*. We need to define categories of acceptable Charges.

SRSC Document, 5/31/02	USBR Document, 6/21/02
each Year, the Contracting Officer shall provide the Contractor with the final Rates to be in effect for the upcoming Year, and such notification shall revise Exhibit "D".	each Year, the Contracting Officer shall provide the Contractor with the final Rates to be in effect for the upcoming Year, and such notification shall revise Exhibit "D".
(c) The Contractor shall pay the United States for Project Water in the following manner:	(c) The Contractor shall pay the United States for Project Water in the following manner:
(1) With respect to Rates, prior to May 1 of each Year, the Contractor shall pay the United States one-half (1/2) the total amount payable pursuant to subdivision (a) of this Article and the remainder shall be paid prior to July 1 or such later date or dates as may be specified by the United States in a written notice to the Contractor: <u>Provided, however, That</u> that if at any time during the Year the amount of Project Water diverted by the Contractor shall equal the amount for which payment has been made, the Contractor shall pay for the remaining amount of such water as shown in Exhibit A in advance of any further diversion of Project Water.	(1) With respect to Rates, prior to May 1 of each Year, the Contractor shall pay the United States one-half (1/2) the total amount payable pursuant to subdivision (a) of this Article and the remainder shall be paid prior to July 1 or such later date or dates as may be specified by the United States in a written notice to the Contractor: <u>Provided, however, That</u> if at any time during the Year the amount of Project Water diverted by the Contractor shall equal the amount for which payment has been made, the Contractor shall pay for the remaining amount of such water as shown in Exhibit A in advance of any further diversion of Project Water.
(2) With respect to Charges, the Contractor shall also make a payment to the United States, in addition to the Rate(s) in subdivision (c)(1) of this	(2) With respect to Charges, the Contractor shall also make a payment to the United States, in addition to the Rate(s) in subdivision (c)(1) of this

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>Article, at the Charges then in effect, before the end of the month following the month of delivery or transfer. The payments shall be consistent with the quantities of Project Water delivered or transferred. Adjustment for overpayment or underpayment of Charges shall be made through the adjustment of payments due to the United States for Charges for the next month. Any amount to be paid for past due payment of Charges shall be computed pursuant to Article 12 of this contract <u>Settlement Contract</u>.</p>	<p>Article, at the Charges then in effect, before the end of the month following the month of delivery or transfer. The payments shall be consistent with the quantities of Project Water delivered or transferred. Adjustment for overpayment or underpayment of Charges shall be made through the adjustment of payments due to the United States for Charges for the next month. Any amount to be paid for past due payment of Charges shall be computed pursuant to Article 12 13 of this Contract.</p>
<p>(d) Payments to be made by the Contractor to the United States under this contract <u>Settlement Contract</u> may be paid from any revenues available to the Contractor.</p>	<p>(d) Payments to be made by the Contractor to the United States under this Contract may be paid from any revenues available to the Contractor.</p>
<p>(d1) (<i>Contractor Specific</i>) All revenues received by the United States from the Contractor relating to the delivery of Project Water or the delivery of non-Project water through Project facilities shall be allocated and applied in accordance with Federal Reclamation law and the associated rules or regulations, and the then current Project ratesetting policies for Irrigation Water.</p>	<p>(d1) (<i>Contractor Specific</i>) All revenues received by the United States from the Contractor relating to the delivery of Project Water or the delivery of non-Project water through Project facilities shall be allocated and applied in accordance with Federal Reclamation law and the associated rules or regulations, and the then current Project ratesetting policies for Irrigation Water.</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

<p>(e) <u>In order to allow Contractor to monitor the development of Rates and Charges,</u> the Contracting Officer shall keep its accounts pertaining to the administration of the financial terms and conditions of its long-term water service and <u>Settlement Contracts</u>, in accordance with applicable Federal standards, so as to reflect the application of Project costs and revenues. The Contracting Officer shall, each Year upon request of the Contractor, provide to the Contractor a detailed accounting of all Project and Contractor expense allocations, the disposition of all Project and Contractor revenues, and a summary of all water delivery information. The Contracting Officer and the Contractor shall enter into good faith negotiations to resolve any discrepancies or disputes relating to accountings, reports, or information.</p>	<p>(e) The Contracting Officer shall keep its accounts pertaining to the administration of the financial terms and conditions of its long-term water service and settlement contracts, in accordance with applicable Federal standards, so as to reflect the application of Project costs and revenues. The Contracting Officer shall, each Year upon request of the Contractor, provide to the Contractor a detailed accounting of all Project and Contractor expense allocations, the disposition of all Project and Contractor revenues, and a summary of all water delivery information. The Contracting Officer and the Contractor shall enter into good faith negotiations to resolve any discrepancies or disputes relating to accountings, reports, or information.</p>
<p>(f) The parties acknowledge and agree that the efficient administration of this <u>Settlement</u> Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms, policies, and procedures used for establishing Rates and Charges and/or for making and allocating payments, other than those set forth in this Article may be in the mutual best interest of the parties, it is expressly</p>	<p>(f) The parties acknowledge and agree that the efficient administration of this Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms, policies, and procedures used for establishing Rates and Charges and/or for making and allocating payments, other than those set forth in this Article may be in the mutual best interest of the parties, it is expressly</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>agreed that the parties may enter into agreements to modify the mechanisms, policies, and procedures for any of those purposes while this <u>Settlement</u> Contract is in effect without amendment of this <u>Settlement</u> Contract.</p>	<p>agreed that the parties may enter into agreements to modify the mechanisms, policies, and procedures for any of those purposes while this Contract is in effect without amendment of this Contract.</p>
<p>(g) For the term of this contract <u>Settlement Contract</u>, Rates under the respective ratesetting policies for the Project will be established to recover only reimbursable operation and maintenance (including any deficits) and capital costs of the Project, as those terms are used in the then-current Project ratesetting policies, and interest, where appropriate, except in instances where a minimum Rate is applicable in accordance with the relevant Project ratesetting policy. Proposed changes of significance in practices which implement the ratesetting policies for the Project will not be implemented until the Contracting Officer has provided the Contractor an opportunity to discuss the nature, need, and impact of the proposed change.</p>	<p>(g) For the term of this e<u>C</u>ontract, Rates under the respective ratesetting policies for the Project will be established to recover only reimbursable operation and maintenance (including any deficits) and capital costs of the Project, as those terms are used in the then-current Project ratesetting policies, and interest, where appropriate, except in instances where a minimum Rate is applicable in accordance with the relevant Project ratesetting policy. Proposed changes of significance in practices which implement the ratesetting policies for the Project will not be implemented until the Contracting Officer has provided the Contractor an opportunity to discuss the nature, need, and impact of the proposed change.</p>
<p>(h) Except as provided in subsections [3405(a)(1)(B) and 3405(f)] of the CVPIA, the Rates for Project Water transferred, exchanged, or otherwise</p>	<p>(h) Except as provided in subsections 3405(a)(1)(B) and 3405(f) <u>3407(d)(2)(a)</u> of the CVPIA, the Rates for Project Water transferred, exchanged, or</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

<p>disposed of, by the Contractor shall be the Contractor's Rates adjusted upward or downward to reflect the changed costs of delivery (if any) of the transferred, exchanged, or otherwise disposed of Project Water to the transferee's point of delivery in accordance with the then-current ratesetting policies for the Project. If the Contractor is receiving lower Rates and Charges because of inability to pay and is transferring, exchanging, or otherwise disposing of Project Water to another entity whose Rates and Charges are not adjusted due to inability to pay, the Rates and Charges for transferred, exchanged, or otherwise disposed of Project Water shall be the Contractor's Rates and Charges unadjusted for ability to pay.</p>	<p>otherwise disposed of, by the Contractor shall be the Contractor's Rates adjusted upward or downward to reflect the changed costs of delivery (if any) of the transferred, exchanged, or otherwise disposed of Project Water to the transferee's point of delivery in accordance with the then-current ratesetting policies for the Project. If the Contractor is receiving lower Rates and Charges because of inability to pay and is transferring, exchanging, or otherwise disposing of Project Water to another entity whose Rates and Charges are not adjusted due to inability to pay, the Rates and Charges for transferred, exchanged, or otherwise disposed of Project Water shall be the Contractor's Rates and Charges unadjusted for ability to pay.</p>
<p>(i) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting Officer is authorized to adjust determinations of ability to pay every five (5) years.</p>	<p>(i) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting Officer is authorized to adjust determinations of ability to pay every five (5) years.</p>
<p>(j) Each payment to be made pursuant to subdivisions (a) and (b) of this Article shall be made at the office of the Bureau of Reclamation, Mid-Pacific Region, File No. 11546, P.O Box 6000, San Francisco, California, 94160-1546, or</p>	<p>(j) Each payment to be made pursuant to subdivisions (a) and (b) of this Article shall be made at the office of the Bureau of Reclamation, Mid-Pacific Region, File No. 11546, P.O Box 6000, San Francisco, California, 94160-1546, or</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

at such other place as the United States may designate in a written notice to the said Contractor. Payments shall be made by cash transaction, wire, or any other mechanism as may be agreed to in writing by the Contractor and the Contracting Officer. In event there should be a default in the payment of the amount due, the delinquent payment provisions of Article 12 shall apply. The Contractor shall not be relieved of the whole or any part of its said obligation by, on account of, or notwithstanding, as the case may be:	at such other place as the United States may designate in a written notice to the said Contractor. Payments shall be made by cash transaction, wire, or any other mechanism as may be agreed to in writing by the Contractor and the Contracting Officer. In event there should be a default in the payment of the amount due, the delinquent payment provisions of Article 12 13 shall apply. The Contractor shall not be relieved of the whole or any part of its said obligation by, on account of, or notwithstanding, as the case may be:
(1) Its failure, refusal, or neglect to divert the quantity of Project Water as hereinabove provided;	(1) Its failure, refusal, or neglect to divert the quantity of Project Water as hereinabove provided;
(2) The default in payment to it by any water user of assessments, tolls, or other charges levied by or owing to said Contractor;	(2) The default in payment to it by any water user of assessments, tolls, or other charges levied by or owing to said Contractor;
(3) Any judicial determination that any assessment, toll, or other charge referred to in subsection 8(c)(2) of this <u>Settlement</u> Contract is irregular, void, or ineffectual; or	(3) Any judicial determination that any assessment, toll, or other charge referred to in subsection 8(c)(2) of this Contract is irregular, void, or ineffectual; or
(4) Any injunctive process enjoining or restraining the Contractor	(4) Any injunctive process enjoining or restraining the Contractor

SRSC Document, 5/31/02	USBR Document, 6/21/02
from making or collecting any such assessment, toll, or other charge referred to in subsection 8(c)(2) of this <u>Settlement Contract</u> .	from making or collecting any such assessment, toll, or other charge referred to in subsection 8(c)(2) of this Contract.
<u>AGREEMENT ON WATER QUANTITIES</u>	<u>AGREEMENT ON WATER QUANTITIES</u>
8 <u>9</u> . (a) During the term of this contract <u>Settlement Contract</u> and any renewals thereof:	8 <u>9</u> . (a) During the term of this e <u>C</u> ontract and any renewals thereof:
(1) It shall constitute full agreement as between the United States and the Contractor as to the quantities of water and the allocation thereof between Base Supply and Project Water which may be diverted by the Contractor from the Sacramento River for beneficial use on the land shown on Exhibit B which said diversion, use, and allocation shall not be disturbed so long as the Contractor shall fulfill all of its obligations hereunder;	(1) It shall constitute full agreement as between the United States and the Contractor as to the quantities of water and the allocation thereof between Base Supply and Project Water which may be diverted by the Contractor from the Sacramento River for beneficial use on the land shown on Exhibit B which said diversion, use, and allocation shall not be disturbed so long as the Contractor shall fulfill all of its obligations hereunder;
(2) The Contractor shall not claim any right against the United States in conflict with the provisions hereof, <u>nor shall the United States claim any right against the Contractor in conflict with the provisions hereof.</u>	(2) <u>Neither party</u> shall not claim any right against the United States <u>other party</u> in conflict with the provisions hereof <u>of this Article 9(a).</u>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p>(b) Nothing herein contained is intended to or does limit rights of the Contractor against others than the United States or of the United States against any person other than the Contractor:</p> <p><u>Provided, however, That that in the event the Contractor, the United States, or any other person shall become a party to a general adjudication of rights to the use of water of the Sacramento River system, this contract Settlement Contract shall not jeopardize the rights or position of either party hereto or of any other person and the rights of all such persons in respect to the use of such water shall be determined in such proceedings the same as if this contract Settlement Contract had not been entered into, and if final judgment in any such general adjudication shall determine that the rights of the parties hereto are different from the rights as assumed herein, the United States shall submit it to the Contractor parties shall negotiate an amendment to give effect to such judgment. In the event the parties are unable to agree on an appropriate amendment they shall, within 60 days of determining that there is an impasse, employ the services of a neutral mediator to assist in resolving the impasse. The cost of the mediation will be shared equally. A</u></p>	<p>(b) Nothing herein contained is intended to or does limit rights of the Contractor against others than the United States or of the United States against any person other than the Contractor:</p> <p><u>Provided, however, That in the event the Contractor, the United States, or any other person shall become a party to a general adjudication of rights to the use of water of the Sacramento River system, this eContract shall not jeopardize the rights or position of either party hereto or of any other person and the rights of all such persons in respect to the use of such water shall be determined in such proceedings the same as if this eContract had not been entered into, and if final judgment in any such general adjudication shall determine that the rights of the parties hereto are different from the rights as assumed herein, the United States shall submit it to the Contractor an amendment to give effect to such judgment and the eContract shall be deemed to have been amended accordingly unless within sixty (60) days after submission of such amendment to the Contractor, the Contractor elects to terminate the eContract or within the same period of time the parties agree upon mutually satisfactory amendments to give effect to such judgment: <u>Provided, further,</u></u></p>
---	--

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p><u>failure to reach agreement on an amendment within 60 days of the end of mediation will cause the immediate termination of this Settlement Contract.</u> and the contract shall be deemed to have been amended accordingly unless within sixty (60) days after submission of such amendment to the Contractor, the Contractor elects to terminate the contract or within the same period of time the parties agree upon mutually satisfactory amendments to give effect to such judgment: <u>Provided, further,</u> That if, during the term of this Contract, the Contractor's or the United States' water rights are adjusted or affected, or the responsibility to meet flow, water quality and/or environmental requirements under those water rights is modified (e.g., changes to the Delta Water Quality Control Plan and associated water right actions), by or through any final administrative or judicial proceeding, the Contractor and the United States shall negotiate appropriate adjustments to this contract.</p>	<p>That if, during the term of this Contract, the Contractor's or the United States' water rights are adjusted or affected, or the responsibility to meet flow, water quality and/or environmental requirements under those water rights is modified (e.g., changes to the Delta Water Quality Control Plan and associated water right actions), by or through any final administrative or judicial proceeding, the Contractor and the United States shall negotiate appropriate adjustments to this eContract.</p>
<p>(c) In the event this econtract <u>Settlement Contract</u> terminates, the rights of the parties to thereafter divert and use water shall exist as if this econtract <u>Settlement Contract</u> had not been entered</p>	<p>(c) In the event this eContract terminates, the rights of the parties to thereafter divert and use water shall exist as if this eContract had not been entered into; and the fact that as a compromise</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p>into; and the fact that as a compromise settlement of a controversy as to the respective rights of the parties to divert and use water and the yield of such rights during the term hereof, this eContract <u>Settlement Contract</u> places a limit on the Contract Total to be diverted annually by the Contractor during the eContract <u>Settlement Contract</u> term and segregates it into Base Supply and Project Water shall not jeopardize the rights or position of either party with respect to its water rights or the yield thereof at all times after the eContract <u>Settlement Contract</u> terminates. It is further agreed that the Contractor at all times will first use water to the use of which it is entitled by virtue of its own water rights, and neither the provisions of this eContract <u>Settlement Contract</u>, action taken thereunder, nor payments made thereunder to the United States by the Contractor shall be construed as an admission that any part of the water used by the Contractor during the term of this eContract <u>Settlement Contract</u> was in fact water to which it would not have been entitled under water rights owned by it nor shall receipt of payments thereunder by the United States from the Contractor be construed as an admission that any part of the water used by the Contractor during the</p>	<p>settlement of a controversy as to the respective rights of the parties to divert and use water and the yield of such rights during the term hereof, this eContract places a limit on the Contract Total to be diverted annually by the Contractor during the eContract term and segregates it into Base Supply and Project Water shall not jeopardize the rights or position of either party with respect to its water rights or the yield thereof at all times after the eContract terminates. It is further agreed that the Contractor at all times will first use water to the use of which it is entitled by virtue of its own water rights, and neither the provisions of this eContract, action taken thereunder, nor payments made thereunder to the United States by the Contractor shall be construed as an admission that any part of the water used by the Contractor during the term of this eContract was in fact water to which it would not have been entitled under water rights owned by it nor shall receipt of payments thereunder by the United States from the Contractor be construed as an admission that any part of the water used by the Contractor during the term of this eContract was in fact water to which it would have been entitled under water rights owned by it.</p>
---	---

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

term of this contract <u>Settlement Contract</u> was in fact water to which it would have been entitled under water rights owned by it.	
<u>MEASUREMENT OF WATER</u>	<u>MEASUREMENT OF WATER</u>
9 <u>10</u> . (a) All water diverted by the Contractor from Sacramento River will be diverted at the existing point or points of diversion shown on Exhibit A or at such other points as may be mutually agreed upon in writing by the Contracting Officer and the Contractor.	9 <u>10</u> . (a) All water diverted by the Contractor from Sacramento River will be diverted at the existing point or points of diversion shown on Exhibit A or at such other points as may be mutually agreed upon in writing by the Contracting Officer and the Contractor.
(b) All water diverted from the Sacramento River pursuant to this contract <u>Settlement Contract</u> will be measured or caused to be measured by the United States at each point of diversion with existing equipment or equipment to be installed, operated, and maintained by the United States, and/or others, under contract with and at the option of the United States. The equipment and methods used to make such measurement shall be in accordance with sound engineering practices. Upon request of the Contractor, the accuracy of such measurements will be investigated by the Contracting Officer and any errors appearing therein will be corrected.	(b) All water diverted from the Sacramento River pursuant to this e <u>C</u> ontract will be measured or caused to be measured by the United States at each point of diversion with existing equipment or equipment to be installed, operated, and maintained by the United States, and/or others, under contract with and at the option of the United States. The equipment and methods used to make such measurement shall be in accordance with sound engineering practices. Upon request of the Contractor, the accuracy of such measurements will be investigated by the Contracting Officer and any errors appearing therein will be corrected.

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

(c) The right of ingress to and egress from all points of diversion is hereby granted to all authorized employees of the United States. The Contractor also hereby grants to the United States the right to install, operate, maintain and replace such equipment on diversion or carriage facilities at each point of diversion as the Contracting Officer deems necessary.	(c) The right of ingress to and egress from all points of diversion is hereby granted to all authorized employees of the United States. The Contractor also hereby grants to the United States the right to install, operate, maintain and replace such equipment on diversion or carriage facilities at each point of diversion as the Contracting Officer deems necessary.
(d) The Contractor shall not modify, alter, remove, or replace diversion facilities or do any other act which would alter the effectiveness or accuracy of the measuring equipment installed by the United States or its representatives unless and until the Contracting Officer has been notified with due diligence and has been given an opportunity to modify such measuring equipment in such manner as may be necessary or appropriate. In the event of an emergency the Contractor shall notify the United States within a reasonable time thereafter as to the existence of the emergency and the nature and extent of such modification, alteration, removal, or replacement of diversion facilities.	(d) The Contractor shall not modify, alter, remove, or replace diversion facilities or do any other act which would alter the effectiveness or accuracy of the measuring equipment installed by the United States or its representatives unless and until the Contracting Officer has been notified with due diligence and has been given an opportunity to modify such measuring equipment in such manner as may be necessary or appropriate. In the event of an emergency the Contractor shall notify the United States within a reasonable time thereafter as to the existence of the emergency and the nature and extent of such modification, alteration, removal, or replacement of diversion facilities.
(e) <u>Unless the Contractor has itself already incurred the relevant</u>	(e) The Contractor shall pay the United States for the costs to repair,

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p><u>expenses</u>, the Contractor shall pay the United States for the costs to repair, relocate, or replace measurement equipment when the Contractor modifies, alters, removes, or replaces diversion or carriage facilities.</p>	<p>relocate, or replace measurement equipment when the Contractor modifies, alters, removes, or replaces diversion or carriage facilities.</p>
<p>(f) (Contractor Specific) By _____[DATE] _____,</p> <p>the Contractor shall ensure that, unless the Contractor establishes an alternative measurement program satisfactory to the Contracting Officer, all surface water delivered for irrigation purposes on the lands delineated on Exhibit B is measured at each agricultural turnout. The water measuring devices or water measuring methods of comparable effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible for installing, operating, and maintaining and repairing all such measuring devices and implementing all such water measuring methods at no cost to the United States. The Contractor shall inform the Contracting Officer in writing by April 30 of each Year of the monthly volume of surface water delivered to the lands delineated on Exhibit B during the previous Year. This information will be used by Reclamation to satisfy the water</p>	<p>(f) (Contractor Specific) By _____[DATE] _____,</p> <p>the Contractor shall ensure that, unless the Contractor establishes an alternative measurement program satisfactory to the Contracting Officer, all surface water delivered for irrigation purposes on the lands delineated on Exhibit B is measured at each agricultural turnout. The water measuring devices or water measuring methods of comparable effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible for installing, operating, and maintaining and repairing all such measuring devices and implementing all such water measuring methods at no cost to the United States. The Contractor shall inform the Contracting Officer in writing by April 30 of each Year of the monthly volume of surface water delivered to the lands delineated on Exhibit B during the previous Year. This information will be used by Reclamation to satisfy the water</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>measurement requirements of the Contractor's water conservation plan, as set forth in Article 28 of this Contract.</p>	<p>measurement requirements of the Contractor's water conservation plan, as set forth in Article 28 <u>29</u> of this Contract.</p>
<p>(g) All new surface water delivery systems installed within the lands delineated on Exhibit B after the effective date of this Contract shall also comply with the measurement provisions described in this Article.</p>	<p>(g) All new surface water delivery systems installed within the lands delineated on Exhibit B after the effective date of this Contract shall also comply with the measurement provisions described in this Article.</p>
<p><u>RULES AND REGULATIONS</u></p>	<p><u>RULES AND REGULATIONS</u></p>
<p>40 <u>11</u>. The parties agree that the delivery of Project Water for irrigation use or use of Federal facilities pursuant to this <u>Settlement</u> Contract is subject to Federal Reclamation law, including but not limited to, the Reclamation Reform Act of 1982 (43 U.S.C.390aa et seq.), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal Reclamation law.</p>	<p>40 <u>11</u>. The parties agree that the delivery of Project Water for irrigation use or use of Federal facilities pursuant to this Contract is subject to Federal Reclamation law, including but not limited to, the Reclamation Reform Act of 1982 (43 U.S.C.390aa et seq.), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal Reclamation law.</p>
<p><u>GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT</u></p>	<p><u>GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT</u></p>
<p>44 <u>12</u>. (a) The obligation of the Contractor to pay the United States as provided in this <u>Settlement</u> Contract is a general obligation of the Contractor notwithstanding the manner in which the</p>	<p>44 <u>12</u>. (a) The obligation of the Contractor to pay the United States as provided in this Contract is a general obligation of the Contractor notwithstanding the manner in which the</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligations to the Contractor.	obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligations to the Contractor.
(b) The payment of <u>Charges</u> becoming due hereunder is a condition precedent to receiving benefits under this <u>Settlement</u> Contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor may be in arrears in the advance payment of water <u>Rates</u> due the United States. The Contractor shall not furnish water made available pursuant to this <u>Settlement</u> Contract for lands or parties which are in arrears in the advance payment of water rates levied or established by the Contractor.	(b) The payment of charges becoming due hereunder is a condition precedent to receiving benefits under this Contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor may be in arrears in the advance payment of water rates due the United States. The Contractor shall not furnish water made available pursuant to this Contract for lands or parties which are in arrears in the advance payment of water rates levied or established by the Contractor.
(c) With respect to subdivision (b) of this Article, the Contractor shall have no obligation to require advance payment for water <u>Rates</u> which it levies.	(c) With respect to subdivision (b) of this Article, the Contractor shall have no obligation to require advance payment for water rates which it levies.
<u>CHARGES FOR DELINQUENT PAYMENTS</u>	<u>CHARGES FOR DELINQUENT PAYMENTS</u>
42 <u>13</u> . (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes sixty (60) days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent ninety (90) days or more, the Contractor shall pay an additional penalty charge of six (6%) percent per year for each day the payment is delinquent beyond	42 <u>13</u> . (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes sixty (60) days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent ninety (90) days or more, the Contractor shall pay an additional penalty charge of six (6%) percent per year for each day the payment is delinquent beyond

SRSC Document, 5/31/02	USBR Document, 6/21/02
the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.	the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.
(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of one half of one (0.5%) percent per month prescribed by Section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.	(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of one-half of one (0.5%) percent per month prescribed by Section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.
(c) When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.	(c) When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.
<u>QUALITY OF WATER</u>	<u>QUALITY OF WATER</u>
<p>13 <u>14</u>. The operation and maintenance of Project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.</p>	<p>13 <u>14</u>. The operation and maintenance of Project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<u>WATER AND AIR POLLUTION CONTROL</u>	<u>WATER AND AIR POLLUTION CONTROL</u>
<p>14 15. The Contractor, in carrying out this <u>Settlement</u> Contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of California, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.</p>	<p>14 15. The Contractor, in carrying out this Contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of California, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.</p>
<u>EQUAL OPPORTUNITY</u>	<u>EQUAL OPPORTUNITY</u>
<p>15 16. During the performance of this <u>Settlement</u> Contract, the Contractor agrees as follows:</p>	<p>15 16. During the performance of this Contract, the Contractor agrees as follows:</p>
<p>(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of payment or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this</p>	<p>(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of payment or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
nondiscrimination clause.	nondiscrimination clause.
(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.	(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.
(c) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.	(c) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.	(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
(e) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.	(e) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
(f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this <u>Settlement</u> Contract or with any of the said	(f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>rules, regulations, or orders, this <u>Settlement</u> Contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.</p>	<p>orders, this Contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.</p>
<p>(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That <u>that</u> in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.</p>	<p>(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: <u>Provided, however, T</u>that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.</p>
<p><u>COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS</u> (<i>For Districts Only</i>)</p>	<p><u>COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS</u> (<i>For Districts Only</i>)</p>
<p>46 <u>17</u>. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil</p>	<p>46 <u>17</u>. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.	rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.
(b) These statutes require that no person in the United States shall, on the grounds of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation. By executing this <u>Settlement Contract</u> , the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.	(b) These statutes require that no person in the United States shall, on the grounds of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation. By executing this <u>Contract</u> , the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.
(c) The Contractor makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Contractor by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Contractor recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this Article, and that the United States reserves the right to seek judicial enforcement thereof.	(c) The Contractor makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Contractor by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Contractor recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this Article, and that the United States reserves the right to seek judicial enforcement thereof.
<u>MINGLING OF CONTRACTOR'S PROJECT AND NON-PROJECT WATER</u>	<u>MINGLING OF CONTRACTOR'S PROJECT AND NON-PROJECT WATER</u>
47 <u>18</u> . (a) Project Water must of necessity be transported by the Contractor	47 <u>18</u> . (a) Project Water must of necessity be transported by the Contractor

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>to its water users by means of the same works and channels used for the transport of its non-Project Water <u>including Base Supply</u>. Notwithstanding such mingling of water, the provisions of Article 11 hereof shall be applicable only to Project Water, and such mingling of water shall not in any manner subject to the provisions of Article 11 hereof the Contractor's non-Project water <u>including Base Supply</u>.</p>	<p>to its water users by means of the same works and channels used for the transport of its non-Project Water <u>including Base Supply</u>. Notwithstanding such mingling of water, the provisions of Article 11 hereof shall be applicable only to Project Water, and such mingling of water shall not in any manner subject to the provisions of Article 11 hereof the Contractor's non-Project wWater <u>including Base Supply</u>.</p>
<p>(b) If required in accordance with subdivision (c) of this Article, the Contractor shall install and maintain such measuring equipment and distribution facilities and maintain such records as may be necessary to determine the amounts of water delivered to Excess Lands served by the Contractor. The Contractor shall not within any month deliver to Ineligible Lands water in excess of the non-Project Water, <u>including Base Supply</u>, for that month. The Contracting Officer or authorized representative shall have the right at all reasonable times to inspect such records and measuring equipment.</p>	<p>(b) If required in accordance with subdivision (c) of this Article, the Contractor shall install and maintain such measuring equipment and distribution facilities and maintain such records as may be necessary to determine the amounts of water delivered to Excess Lands served by the Contractor. The Contractor shall not within any month deliver to Ineligible Lands water in excess of the non-Project Water, <u>including Base Supply</u>, for that month. The Contracting Officer or authorized representative shall have the right at all reasonable times to inspect such records and measuring equipment.</p>
<p>(c) The Contractor will not be considered in violation of the requirement that Project Water be delivered only to Eligible Lands during any month of the</p>	<p>(c) The Contractor will not be considered in violation of the requirement that Project Water be delivered only to Eligible Lands during any month of the</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

<p>irrigation season that the water requirement for beneficial use on Eligible Lands for that month is equal to or in excess of the Project Water for that month as shown on Exhibit A or any revision thereof pursuant to subdivision (b) of Article 3. The water requirement for beneficial use on Eligible Lands will be determined by multiplying:</p>	<p>irrigation season that the water requirement for beneficial use on Eligible Lands for that month is equal to or in excess of the Project Water for that month as shown on Exhibit A or any revision thereof pursuant to subdivision (b) of Article 3. The water requirement for beneficial use on Eligible Lands will be determined by multiplying:</p>
<p>(1) the number of irrigable acres of the particular types of crops grown in that year on the acreage designated as eligible by</p>	<p>(1) the number of irrigable acres of the particular types of crops grown in that year on the acreage designated as eligible by</p>
<p>(2) the Unit Duties as set forth in Exhibit C attached hereto and made a part hereof, or by such other Unit Duties mutually agreed upon by the Contractor and the Contracting Officer. In order to make the computation of the water requirement for Eligible Lands, on April 1 of each Year and concurrently with its order for water for the irrigation season, the Contractor shall designate the acreage of and type of crops to be grown on its Eligible Lands that irrigation season. During any month the water requirement as above determined for crops growing on Eligible Lands during such month is equal to or in excess of the Project Water for that month as provided herein the Contractor</p>	<p>(2) the Unit Duties as set forth in Exhibit C attached hereto and made a part hereof, or by such other Unit Duties mutually agreed upon by the Contractor and the Contracting Officer. In order to make the computation of the water requirement for Eligible Lands, on April 1 of each Year and concurrently with its order for water for the irrigation season, the Contractor shall designate the acreage of and type of crops to be grown on its Eligible Lands that irrigation season. During any month the water requirement as above determined for crops growing on Eligible Lands during such month is equal to or in excess of the Project Water for that month as provided herein the Contractor</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
shall not be required to measure the water delivered to Excess Lands. Any month the said water requirement is less than the amount of Project Water as provided herein, the Contractor will be required to measure water delivered to excess land in accordance with subdivision (b) hereof.	shall not be required to measure the water delivered to Excess Lands. Any month the said water requirement is less than the amount of Project Water as provided herein, the Contractor will be required to measure water delivered to excess land in accordance with subdivision (b) hereof.
<u>BOOKS, RECORDS, AND REPORTS</u>	<u>BOOKS, RECORDS, AND REPORTS</u>
<p>18 <u>19</u>. The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this <u>Settlement</u> Contract, including: the Contractor's financial transactions, water supply data, and Project land and right-of-way agreements; the water users' land-use (crop census), land ownership, land-leasing and water use data; and other matters that the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each party to this <u>Settlement</u> Contract shall have the right during office hours to examine and make copies of each other's books and official records relating to matters covered by this <u>Settlement</u> Contract.</p>	<p>18 <u>19</u>. The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including: the Contractor's financial transactions, water supply data, and Project land and right-of-way agreements; the water users' land-use (crop census), land ownership, land-leasing and water use data; and other matters that the Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each party to this Contract shall have the right during office hours to examine and make copies of each other's books and official records relating to matters covered by this Contract.</p>
<u>CHANGE OF PLACE OF USE OR ORGANIZATION</u>	<u>CHANGE OF PLACE OF USE OR ORGANIZATION</u>
<p>19 <u>20</u>. (a) Unless the written consent of the United States is first</p>	<p>19 <u>20</u>. (a) Unless the written consent of the United States is first</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
obtained <u>consulted</u> no change shall be made in the place of water use shown on Exhibit B.	obtained no change shall be made in the place of water use shown on Exhibit B.
(b) While this contract <u>Settlement Contract</u> is in effect, no change shall be made in the area of the Contractor as shown on its Exhibit B, by inclusion or exclusion of lands, by dissolution, consolidation, or merger or otherwise, except upon <u>unless</u> the Contracting Officer's written assent thereto <u>Officer is first consulted</u> .	(b) While this e <u>C</u> ontract is in effect, no change shall be made in the area of the Contractor as shown on its Exhibit B, by inclusion or exclusion of lands, by dissolution, consolidation, or merger or otherwise, except upon the Contracting Officer's written assent thereto.
(c) In the event lands are excluded from the area of the Contractor, as provided herein, the quantity of Project Water to be diverted may be decreased pursuant to a supplemental agreement to be executed in respect thereto.	(c) In the event lands are excluded from the area of the Contractor, as provided herein, the quantity of Project Water to be diverted may be decreased pursuant to a supplemental agreement to be executed in respect thereto.
<u>CONSOLIDATION OF CONTRACTING ENTITIES</u>	<u>CONSOLIDATION OF CONTRACTING ENTITIES</u>
20 <u>21</u> . Consolidation of Contractors may <u>will</u> be approved by the Contracting Officer <u>upon request</u> provided: (i) the Contracting Officer approves the form and organization of the resulting entity and the utilization by it of the Contract Total; and (ii) the obligations of	20 <u>21</u> . Consolidation of Contractors may be approved by the Contracting Officer provided: (i) the Contracting Officer approves the form and organization of the resulting entity and the utilization by it of the Contract Total; and (ii) the obligations of the Contractor are assumed

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

the Contractor s are assumed by such <u>the</u> <u>resulting</u> entity.	by such entity.
No such consolidation shall be valid unless and until approved by the Contracting Officer.	No such consolidation shall be valid unless and until approved by the Contracting Officer.
<u>NOTICES</u>	<u>NOTICES</u>
21 <u>22</u> . Any notice, demand, or request authorized or required by this <u>Settlement</u> Contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Area Manager, Northern California Area Office, Bureau of Reclamation, 16349 Shasta Dam Blvd., Shasta Lake, California, 96019, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Board of Directors /City Council of the _____. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.	21 <u>22</u> . Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Area Manager, Northern California Area Office, Bureau of Reclamation, 16349 Shasta Dam Blvd., Shasta Lake, California, 96019, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Board of Directors /City Council of the _____. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.
<u>ASSIGNMENT LIMITED-- SUCCESSORS AND ASSIGNS OBLIGATED</u>	<u>ASSIGNMENT LIMITED-- SUCCESSORS AND ASSIGNS OBLIGATED</u>
22 <u>23</u> . (a) The provisions of this <u>Settlement</u> Contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this <u>Settlement</u> Contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.	22 <u>23</u> . (a) The provisions of this Contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.
(b) The assignment of any right or interest in this <u>Settlement</u> Contract by either party shall not interfere with the	(b) The assignment of any right or interest in this Contract by either party shall not interfere with the rights or

SRSC Document, 5/31/02	USBR Document, 6/21/02
rights or obligations of the other party to this <u>Settlement</u> Contract absent the written concurrence of said other party.	obligations of the other party to this Contract absent the written concurrence of said other party.
(c) The Contracting Officer shall not unreasonably condition or withhold his approval of any proposed assignment.	(c) The Contracting Officer shall not unreasonably condition or withhold his approval of any proposed assignment.
<u>OFFICIALS NOT TO BENEFIT</u>	<u>OFFICIALS NOT TO BENEFIT</u>
23 24. (a) No Member of or Delegate to Congress, Resident Commissioner, or official of the Contractor shall benefit from this <u>Settlement</u> Contract other than as a water user or landowner in the same manner as other water users or landowners.	23 24. (a) No Member of or Delegate to Congress, Resident Commissioner, or official of the Contractor shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.
(b) No officer or member of the governing board of the Contractor shall receive any benefit that may arise by reason of this contract <u>Settlement</u> Contract other than as a landowner within the Contractor's service area and in the same manner as other landowners within the said service area.	(b) No officer or member of the governing board of the Contractor shall receive any benefit that may arise by reason of this e <u>C</u> ontract other than as a landowner within the Contractor's service area and in the same manner as other landowners within the said service area.
<u>CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS</u>	<u>CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS</u>
24 25. The expenditure or advance of any money or the performance of any obligation of the United States under this <u>Settlement</u> Contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this <u>Settlement</u> Contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.	24 25. The expenditure or advance of any money or the performance of any obligation of the United States under this Contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this Contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.
<u>CONFIRMATION OF SETTLEMENT CONTRACT</u>	<u>CONFIRMATION OF CONTRACT</u>

SRSC Document, 5/31/02	USBR Document, 6/21/02
-------------------------------	-------------------------------

<p>25 <u>26</u>. The Contractor, after the execution of this <u>Settlement</u> Contract, shall promptly seek to secure a decree of a court of competent jurisdiction of the State of California, if appropriate, confirming the execution of this contract <u>Settlement Contract</u>. The Contractor shall furnish the United States a certified copy of the final decree, the validation proceedings, and all pertinent supporting records of the court approving and confirming this <u>Settlement</u> Contract, and decreeing and adjudging it to be lawful, valid, and binding on the Contractor. This <u>Settlement</u> Contract shall not be binding on the United States until such final decree has been secured.</p>	<p>25<u>26</u>. The Contractor, after the execution of this Contract, shall promptly seek to secure a decree of a court of competent jurisdiction of the State of California, if appropriate, confirming the execution of this e<u>C</u>Contract. The Contractor shall furnish the United States a certified copy of the final decree, the validation proceedings, and all pertinent supporting records of the court approving and confirming this Contract, and decreeing and adjudging it to be lawful, valid, and binding on the Contractor. This Contract shall not be binding on the United States until such final decree has been secured.</p>
<p><u>UNAVOIDABLE GROUNDWATER PERCOLATION</u></p>	<p><u>UNAVOIDABLE GROUNDWATER PERCOLATION</u></p>
<p>26 <u>27</u>. To the extent applicable, the Contractor shall not be deemed to have delivered Project Water to Excess Lands or Ineligible Lands if such lands are irrigated with groundwater that reaches the underground strata as an unavoidable result of the delivery of Project Water by the Contractor to Eligible Lands.</p>	<p>26<u>27</u>. To the extent applicable, the Contractor shall not be deemed to have delivered Project Water to Excess Lands or Ineligible Lands if such lands are irrigated with groundwater that reaches the underground strata as an unavoidable result of the delivery of Project Water by the Contractor to Eligible Lands.</p>
<p><u>PRIVACY ACT COMPLIANCE</u></p>	<p><u>PRIVACY ACT COMPLIANCE</u></p>
<p>27 <u>28</u>. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a) (the Act) and the Department of the Interior rules and regulations under the Act (43 CFR 2.45 et seq.) in maintaining Landholder acreage</p>	<p>27<u>28</u>. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a) (the Act) and the Department of the Interior rules and regulations under the Act (43 CFR 2.45 et seq.) in maintaining Landholder acreage</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
certification and reporting records, required to be submitted to the Contractor for compliance with Sections 206 and 228 of the Reclamation Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR 426.18.	certification and reporting records, required to be submitted to the Contractor for compliance with Sections 206 and 228 of the Reclamation Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR 426.18.
(b) With respect to the application and administration of the criminal penalty provisions of the Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees responsible for maintaining the certification and reporting records referenced in (a) above are considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).	(b) With respect to the application and administration of the criminal penalty provisions of the Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees responsible for maintaining the certification and reporting records referenced in (a) above are considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).
(c) The Contracting Officer or a designated representative shall provide the Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Acreage Limitation--Interior, Reclamation-31) which govern the maintenance, safeguarding, and disclosure of information contained in the Landholder's certification and reporting records.	(c) The Contracting Officer or a designated representative shall provide the Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Acreage Limitation--Interior, Reclamation-31) which govern the maintenance, safeguarding, and disclosure of information contained in the Landholder's certification and reporting records.
(d) The Contracting Officer shall designate a full-time employee of the Bureau of Reclamation to be the System Manager who shall be responsible for making decisions on denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The Contractor is authorized to grant requests by individuals for access to their own records.	(d) The Contracting Officer shall designate a full-time employee of the Bureau of Reclamation to be the System Manager who shall be responsible for making decisions on denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The Contractor is authorized to grant requests by individuals for access to their own records.
(e) The Contractor shall forward promptly to the System Manager each proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed under 43 CFR 2.71; notify	(e) The Contractor shall forward promptly to the System Manager each proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed under 43 CFR 2.71; notify

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>the requester accordingly of such referral; and provide the System Manager with information and records necessary to prepare an appropriate response to the requester. These requirements do not apply to individuals seeking access to their own certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.18, unless the requester elects to cite the Privacy Act as a basis for the request.</p>	<p>the requester accordingly of such referral; and provide the System Manager with information and records necessary to prepare an appropriate response to the requester. These requirements do not apply to individuals seeking access to their own certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.18, unless the requester elects to cite the Privacy Act as a basis for the request.</p>
<p><u>WATER CONSERVATION</u></p>	<p><u>WATER CONSERVATION</u></p>
<p>28 29. [TO BE REPLACED].—(a) Prior to the diversion of Project Water, the Contractor shall be implementing an effective water conservation and efficiency program based on the Contractor's water conservation plan that has been determined by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water conservation plans established under Federal law. The water conservation and efficiency program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. Continued diversion of Project Water pursuant to this Settlement Contract shall be contingent upon the Contractor's continued implementation of such water conservation program. In the event the Contractor's water conservation plan or any</p>	<p>28<u>29.</u> (a) Prior to the diversion of Project Water, the Contractor shall be implementing an effective water conservation and efficiency program based on the Contractor's water conservation plan that has been determined by the Contracting Officer to meet the conservation and efficiency criteria for evaluating water conservation plans established under Federal law. The water conservation and efficiency program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. Continued diversion of Project Water pursuant to this Contract shall be contingent upon the Contractor's continued implementation of such water conservation program. In the event the Contractor's</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
------------------------	------------------------

<p>revised water conservation plan completed pursuant to subdivision (c) of Article 28 of this Settlement Contract have not yet been determined by the Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer determines are beyond the control of the Contractor, Project Water deliveries shall be made under this Settlement Contract so long as the Contractor diligently works with the Contracting Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor immediately begins implementing its water conservation and efficiency program in accordance with the time schedules therein.</p>	<p>water conservation plan completed pursuant to subdivision (c) of Article 28 <u>29</u> of this Contract have not yet been determined by the Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer determines are beyond the control of the Contractor, Project Water deliveries shall be made under this Contract so long as the Contractor diligently works with the Contracting Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor immediately begins implementing its water conservation and efficiency program in accordance with the time schedules therein.</p>
<p>(b) The Contractor shall submit to the Contracting Officer a report on the status of its implementation of the water conservation plan on the reporting dates specified in the then existing conservation and efficiency criteria established under Federal law.</p>	<p>(b) The Contractor shall submit to the Contracting Officer a report on the status of its implementation of the water conservation plan on the reporting dates specified in the then existing conservation and efficiency criteria established under Federal law.</p>
<p>(e) At five (5)-year intervals, the Contractor shall revise its water conservation plan to reflect the then current conservation and efficiency criteria for evaluating water conservation plans established under Federal law and submit</p>	<p>(c) At five (5)-year intervals, the Contractor shall revise its water conservation plan to reflect the then current conservation and efficiency criteria for evaluating water conservation plans established under Federal law and submit</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>such revised water management plan to the Contracting Officer for review and evaluation. The Contracting Officer will then determine if the water conservation plan meets Reclamation's then current conservation and efficiency criteria for evaluating water conservation plans established under Federal law.</p>	<p>such revised water management plan to the Contracting Officer for review and evaluation. The Contracting Officer will then determine if the water conservation plan meets Reclamation's then current conservation and efficiency criteria for evaluating water conservation plans established under Federal law.</p>
<p>(d) If the Contractor is engaged in direct ground-water recharge, such activity shall be described in the Contractor's water conservation plan.</p>	<p>(d) If the Contractor is engaged in direct ground-water recharge, such activity shall be described in the Contractor's water conservation plan.</p>
<p><u>OPINIONS AND DETERMINATIONS</u></p>	<p><u>OPINIONS AND DETERMINATIONS</u></p>
<p>29 <u>30</u>. (a) Where the terms of this <u>Settlement</u> Contract provide for actions to be based upon the opinion or determination of either party to this <u>Settlement</u> Contract, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. Both parties, notwithstanding any other provisions of this <u>Settlement</u> Contract, expressly reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious, or unreasonable opinion or determination. Each opinion or determination by either party shall be</p>	<p>29<u>30</u>. (a) Where the terms of this Contract provide for actions to be based upon the opinion or determination of either party to this Contract, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. Both parties, notwithstanding any other provisions of this Contract, expressly reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious, or unreasonable opinion or determination. Each opinion or determination by either party shall be provided in a timely manner. Nothing in</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>provided in a timely manner. Nothing in subdivision (a) of Article 29 of this <u>Settlement</u> Contract is intended to or shall affect or alter the standard of judicial review applicable under federal law to any opinion or determination implementing a specific provision of federal law embodied in statute or regulation.</p>	<p>subdivision (a) of Article 29 <u>30</u> of this Contract is intended to or shall affect or alter the standard of judicial review applicable under federal law to any opinion or determination implementing a specific provision of federal law embodied in statute or regulation.</p>
<p>(b) The Contracting Officer shall have the right to make determinations necessary to administer this <u>Settlement</u> Contract that are consistent with the provisions of this <u>Settlement</u> Contract, the laws of the United States and of the State of California, and the rules and regulations promulgated by the Secretary of the Interior. Such determinations shall be made in consultation with the Contractor to the extent reasonably practicable.</p>	<p>(b) The Contracting Officer shall have the right to make determinations necessary to administer this Contract that are consistent with the provisions of this Contract, the laws of the United States and of the State of California, and the rules and regulations promulgated by the Secretary of the Interior. Such determinations shall be made in consultation with the Contractor to the extent reasonably practicable.</p>
<p><u>CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS</u></p>	<p><u>CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS</u></p>
<p>30 <u>31</u>. (a) In addition to all other payments to be made by the Contractor pursuant to this <u>Settlement</u> Contract, the Contractor shall pay to the United States, within sixty (60) days after receipt of a bill and detailed statement submitted by the Contracting Officer to the Contractor for such specific items of direct cost incurred</p>	<p>30 <u>31</u>. (a) In addition to all other payments to be made by the Contractor pursuant to this Contract, the Contractor shall pay to the United States, within sixty (60) days after receipt of a bill and detailed statement submitted by the Contracting Officer to the Contractor for such specific items of direct cost incurred by the United</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>by the United States for work requested by the Contractor associated with this <u>Settlement Contract</u> plus indirect costs in accordance with applicable Bureau of Reclamation policies and procedures. All such amounts referred to in this Article shall not exceed the amount agreed to in writing in advance by the Contractor. This Article shall not apply to costs for routine contract <u>Settlement Contract</u> administration.</p>	<p>States for work requested by the Contractor associated with this Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies and procedures. All such amounts referred to in this Article shall not exceed the amount agreed to in writing in advance by the Contractor. This Article shall not apply to costs for routine contract administration.</p>
<p>(b) All advances for miscellaneous costs incurred for work requested by the Contractor pursuant to Article 30 of this <u>Settlement Contract</u> shall be adjusted to reflect the actual costs when the work has been completed. If the advances exceed the actual costs incurred, the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be billed for the additional costs pursuant to Article 30 of this <u>Settlement Contract</u>.</p>	<p>(b) All advances for miscellaneous costs incurred for work requested by the Contractor pursuant to Article 30 <u>31</u> of this Contract shall be adjusted to reflect the actual costs when the work has been completed. If the advances exceed the actual costs incurred, the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be billed for the additional costs pursuant to Article 30 of this Contract.</p>
<p><u>WAIVER OF DEFAULT</u></p>	<p><u>WAIVER OF DEFAULT</u></p>
<p>34 <u>32</u>. The waiver by either party to this contract <u>Settlement Contract</u> as to any default shall not be construed as a waiver of any other default or as authority</p>	<p>34 <u>32</u>. The waiver by either party to this e<u>C</u>ontract as to any default shall not be construed as a waiver of any other default or as authority of the other party to</p>

SRSC Document, 5/31/02	USBR Document, 6/21/02
<p>of the other party to continue such default or to make, do, or perform, or not to make, do, or perform, as the case may be, any act or thing which would constitute a default.</p>	<p>continue such default or to make, do, or perform, or not to make, do, or perform, as the case may be, any act or thing which would constitute a default.</p>
<p>IN WITNESS WHEREOF, the parties hereto have executed this contract <u>Settlement Contract</u> as of the day and year first hereinabove written.</p>	<p>IN WITNESS WHEREOF, the parties hereto have executed this e<u>C</u>ontract as of the day and year first hereinabove written.</p>
<p>THE UNITED STATES OF AMERICA</p> <p>By: _____</p> <p>Regional Director, Mid-Pacific Region Bureau of Reclamation</p> <p>(SEAL)</p> <p>By: _____</p> <p>_____ President</p> <p>ATTEST:</p> <p>_____ Secretary</p>	<p>THE UNITED STATES OF AMERICA</p> <p>By: _____</p> <p>Regional Director, Mid-Pacific Region Bureau of Reclamation</p> <p>(SEAL)</p> <p>By: _____</p> <p>_____ President</p> <p>ATTEST:</p> <p>_____ Secretary</p>